

Subject: Re: Tax Holiday in City Council Tomorrow

From: Nate Kaplan <nate.kaplan@lacity.org>

Date: 08/05/2010 04:34 PM

To: Laurie Hughes <lhughes@gatewaytola.org>, Christina Davis <christina@laxcoastal.com>, Miki Payne <miki@hbdrollinger.com>, kentwoodnw@aol.com, jruhlen916 <jruhlen916@aol.com>, Donald Duckworth <duckworth.donald@gmail.com>, Denny Schneider <denny@welivefree.com>

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Ordinance (**2nd Consideration**) amending Section 21.30(a) of the LAMC to expand and extend the New Business Tax Exemption

Hello everyone, FYI-The City's consideration of a Business Tax Holiday which was continued from last week will be heard tomorrow in Council. Item #2

-Nate

On Thu, Jul 29, 2010 at 4:05 PM, Nate Kaplan <nate.kaplan@lacity.org> wrote:

Here are some notes, if you are interested.

ITEM 3:

Jobs Committee considered a Motion (Alarcon-Smith-Rosendahl et al) proposing that the City Attorney draft and present an amendment to LAMC, the New Business Tax Exemption (AKA: "*Business Tax Holiday*") that:

1) Removes the \$500,000 qualification threshold of the New Business Tax Exemption

2) Extends the New Business Tax Exemption to three (3) years beginning January 1, 2010 and expiring December 31, 2012, after which the existing New Business Tax will resume

3) Defines a New Business as described in the Motion:

a. has not previously paid business tax receipts in the City of LA

b. is not a business currently operating in the City that should have filed for a Business Tax Registration Certificate in prior years (i.e., "tax

scofflaws”).

Representatives of the Business Tax Advisory Committee (BTAC) expressed support for the Motion, especially the removal of the \$500,000 “cap” which would have the effect of extending the exemption from just small and medium businesses, to Fortune 500 level companies.

Professor Charles Swenson of USC’s School of Business says that, according to economic theory, this amendment would increase employment to the tune of approximately 55,000 permanent jobs, and slightly increase the region’s economic base, and would thus make Los Angeles more competitive.

Supporters of the “Business Tax Holiday” include:

- Los Angeles County Business Federation
- Central City Association
- Century City Chamber of Commerce
- Crenshaw Chamber of Commerce
- Gateway to LA Airport Business District (BID)
- Hollywood Chamber of Commerce
- Los Angeles Area Chamber of Commerce
- Los Angeles County Economic Development Corporation
- San Pedro Chamber of Commerce
- The Valley Economic Alliance
- Valley Economic Development Center
- Valley Industry & Commerce Association

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Nate Kaplan
Field Deputy
Office of Councilmember Bill Rosendahl

City of Los Angeles, 11th District
7166 W. Manchester Ave
Los Angeles, CA 90045
Phone: 310-568-8772
Fax: 310-410-3946

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Nate Kaplan
Field Deputy
Office of Councilmember Bill Rosendahl
City of Los Angeles, 11th District
7166 W. Manchester Ave
Los Angeles, CA 90045
Phone: 310-568-8772
Fax: 310-410-3946